



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Public hearing to consider electric rate changes for all classes excluding Residential SHARE Program and Residential Medical Rider due to California Independent System Operator (CAISO) charges (EUD)

MEETING DATE: October 16, 2002

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council by ordinance approve the revision to the electric rate changes for all classes excluding Residential SHARE Program and Residential Medical Rider due to California Independent System Operator (CAISO) charges. It is recommended that these requirements become effective December 6, 2002.

BACKGROUND INFORMATION: The City of Lodi Electric Utility Department (EUD) as of September 1, 2002 entered into a new contractual arrangement with the CAISO to provide transmission and ancillary services due to the expiration of a previous agreement with Pacific Gas & Electric (PG&E). PG&E is not interested in continuing to provide these services. The Northern California Power Agency (NCPA) under this arrangement will act as the EUD's agent. The CAISO is the only provider of these services in a reasonable manner due to its unique size and Lodi's location relative to transmission. Unfortunately, due to the monopolistic nature of these services, an increase in cost on the order of \$2 million is anticipated annually. This would represent an approximate 5% increase in overall revenue. The proposed ordinance presented will incorporate this increase into the current base rates of each impacted customer class with adjustment to the MCA for the Residential Service (EA) and Residential All Electric (EE) classes. The increase will be distributed across all classes including contract rates; however, low income residential users and medical rider participants will not be affected. A discount for fixed income residential customers who do not qualify for existing low income rates is also part of the change. It should be noted that the targeted revenue generated by the base rate change will be collected in a manner which preserves existing competitive rate characteristics.

FUNDING: None required.



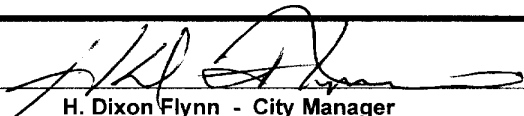
Alan N. Vallow
Electric Utility Director

PREPARED BY: Boris Prokop, Power Supply & Rates Manager

ANV/BP/lst

C: City Attorney
Finance Director

APPROVED: _____


H. Dixon Flynn - City Manager

DRAFT

AN ORDINANCE OF THE LODI CITY COUNCIL AMENDING
CHAPTER 13.20 ELECTRICAL SERVICE BY AMENDING
SECTIONS 13.20.175, 13.20.190, 13.20.202, 13.20.240, 13.20.250,
13.20.260, 13.20.270, 13.20.280 AND 13.20.310

=====

BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Lodi Municipal Code Chapter 13.20 - Electrical Service, Article III. Rates, is hereby amended by amending Sections 13.20.175, 13.20.190, 13.20.202, 13.20.240, 13.20.250, 13.20.260, 13.20.270, 13.20.280 AND 13.20.310 by attaching new Exhibits MCA, EA, EE, G1, G2, G3, G4, G5, and I1, made a part hereof as if set out in full.

SECTION 2. The Sale of electric energy by the City of Lodi shall be at the rates hereinafter set forth.

SECTION 3. Electric rates, established by contract prior to adoption of this Ordinance which reference any previously published electric rate schedule(s) shall be governed by the applicable published electric rate schedule(s) in effect at the time of such contract execution.

SECTION 4. 13.20.175 - Schedule MCA – Market Cost Adjustment – See schedule attached hereto, marked Exhibit A and thereby made a part hereof.

SECTION 5. 13.20.190 - Schedule EA – Residential Service – See schedule attached hereto, marked Exhibit B and thereby made a part hereof.

SECTION 6. 13.20.202 - Schedule EE – Residential All Electric Service - See schedule attached hereto, marked Exhibit C and thereby made a part hereof.

SECTION 7. 13.20.240 - Schedule G1 – General Service – Group 1 Commercial/Industrial - See schedule attached hereto, marked Exhibit D and thereby made a part hereof.

SECTION 8. 13.20.250 - Schedule G2 – General Service – Group 2 Commercial/Industrial - See schedule attached hereto, marked Exhibit E and thereby made a part hereof.

SECTION 9. 13.20.260 - Schedule G3 – General Service – Group 3 Commercial/Industrial - See schedule attached hereto, marked Exhibit F and thereby made a part hereof.

SECTION 10. 13.20.270 - Schedule G4 - General Service - Group 4 Commercial/Industrial - See schedule attached hereto, marked Exhibit G and thereby made a part hereof.

SECTION 11. 13.20.280 - Schedule G5 - General Service - Group 5 Commercial/Industrial - See schedule attached hereto, marked Exhibit H and thereby made a part hereof.

SECTION 12. 13.20.310 Schedule I1 - General Service - Group 5 Commercial/Industrial - Optional - See schedule attached hereto, marked Exhibit I and thereby made a part hereof.

SECTION 13. - No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 14. - Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application.

To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 15. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 16. The increased rates shall be effective on applicable electric utility billings prepared by the City of Lodi on or after December 1, 2002.

Approved this ____ day of _____, 2002

PHILLIP A. PENNINO
MAYOR

ATTEST:

SUSAN J. BLACKSTON
City Clerk

State of California County of San Joaquin, ss.

I, Susan J. Blackston, City Clerk of the City of Lodi, do hereby certify that Ordinance No. ____ was introduced at a regular meeting of the City Council of the City of Lodi held October 16, 2002 and was thereafter passed, adopted and ordered to print at a regular meeting of said Council held _____, 2002 by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –


ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. ____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

SUSAN J. BLACKSTON
City Clerk

Approved to Form:


RANDALL A. HAYS
City Attorney



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

EXHIBIT A

SCHEDULE MCA

MARKET COST ADJUSTMENT

APPLICABILITY:

When in effect, this schedule is applicable to all areas served by the City and to all kilowatt-hours billed under all rate schedules as defined under the special conditions of the rate schedules labeled Purchased Power Adjustment. Generally, power supply costs will be recovered through application of the base rates. In the event that substantial changes in projected power supply costs occur, either increases or decreases, the Market Cost Adjustment will be activated to provide for increases or decreases in the City's charges for electric service.

Rates:

The Market Cost Adjustment (MCA) is applied to specific classes as a cents per kWh charge by a Market Cost Adjustment Billing Factor (MCABF). For some classes, the MCA may be zero. The following schedule provides the MCABF by class.

MARKET COST ADJUSTMENT BILLING FACTOR		
The Market Cost Adjustment Billing Factor by designated rate schedule, in cents per kilowatt-hour, shall be shown in this Section. Certain classes may have a tiered MCABF by level of monthly consumption.		
Class	Cents per kWh	Date Effective
EA, EE under 300 kWh	1.75	December 6, 2002
EA, EE 301 to 600 kWh	3.25	December 6, 2002
EA, EE 601 to 900 kWh	4.90	December 6, 2002
EA, EE above 900 kWh	5.75	December 6, 2002
ED, EF	0	August 1, 2001
EM	0	August 1, 2001
EL	0	August 1, 2001
G1	3.0	August 1, 2001
G2	3.0	August 1, 2001
G3	1.9	August 1, 2001
G4	1.9	August 1, 2001
G5	1.3	August 1, 2001
I1	0	August 1, 2001



CITY OF LODI
ELECTRIC UTILITY DEPARTMENT
SCHEDULE EA

EXHIBIT B

RESIDENTIAL SERVICE

APPLICABILITY:

This schedule is applicable to single-phase domestic power service in single-family and multi-family dwellings separately metered by the City.

RATES:

Minimum Charge \$ 4.87

Energy Charge:

Summer (May through October)

First 440 kWh, per kWh09987
Over 440 kWh, per kWh13818

Winter (November through April)

First 400 kWh, per kWh09987
Over 400 kWh, per kWh13818

PURCHASED POWER COST ADJUSTMENT (PPCA):

A purchased power cost adjustment may be included in each bill for service. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the adjustment amount per kWh. The adjustment amount per kWh will be calculated to reflect amounts charged the City by various suppliers of bulk power not covered in the above rates.

BILLING CYCLE CHARGE (MONTHLY BILL):

The billing cycle charge is the higher of the sum of the Minimum Charge and the PPCA or the sum of the Energy Charge and the PPCA.

SPECIAL CONDITIONS:

- (a) When a business or commercial establishment is conducted in conjunction with a residence and both are measured through one meter, this rate does not apply.
- (b) This rate does not apply to service used for common area and facilities in multi-family dwellings.
- (c) An additional first block medical quantity is available as described in Schedule MR, Residential Medical Rider.

CITY OF LODI
ELECTRIC UTILITY DEPARTMENT
SCHEDULE EA

RESIDENTIAL SERVICE

Fixed Income Discount

For those customers who are on fixed incomes below \$45,000 annually and who are over 62 years old, and does not qualify for any other discount, a discount of 5% shall apply to the electric bill. Procedures as to qualification will be established by the Electric Utility Department.



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

EXHIBIT C

SCHEDULE EE

RESIDENTIAL ALL ELECTRIC

APPLICABILITY

This schedule is applicable to single-phase domestic power service in single-family and multi-family dwellings with permanently installed electric heating as the primary heat source and separately metered by the City of Lodi where the customer meets the special conditions of this rate schedule.

RATES:

Minimum Charge \$ 4.87

Energy Charge:

Summer (May 1 through October 31)

First 585 kWh, per kWh .....	.09987
Over 585 kWh, per kWh.....	.13318

Winter (November 1 through April 30)

First 1,000 kWh, per kWh .....	.09987
Over 1,000 kWh, per kWh.....	.13318

PURCHASED POWER ADJUSTMENT (PPCA):

A purchased power cost adjustment may be included in each bill for service. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the adjustment amount per kWh. The adjustment amount per kWh will reflect amounts charged the City of Lodi by various suppliers of bulk power not covered in the above rates.

BILLING CYCLE CHARGE (MONTHLY BILL):

The Billing Cycle charge is the higher of the sum of the Minimum Charge and PPCA or the sum of the Energy Charge and PPCA.

SCHEDULE EE

RESIDENTIAL ALL ELECTRIC

SPECIAL CONDITIONS:

- (a) Completed application must be submitted to the City of Lodi Finance Department. The City of Lodi Finance Department shall certify the eligibility of all applicants.
- (b) Self-Certification will be used to determine customer eligibility for the Residential All Electric Rate. Customers must sign a statement upon application indicating that they do qualify for the Residential All Electric service and the City of Lodi may verify the Customer's eligibility at any time. If verification established that the Customer is ineligible, the Customer will be removed from the rate schedule and the City of Lodi may render corrective billings and proceed with civil action.
- (c) When a business or commercial establishment is conducted in conjunction with a residence and both are measured through one meter, this rate does not apply.
- (d) This rate does not apply to service used for common area and facilities in multi-family dwellings.
- (e) An additional first block medical quantity is available as described in Schedule MR, Residential Medical Rider.

Fixed Income Discount

For those customers who are on fixed incomes below \$45,000 annually and who are over 62 years old, and does not qualify for any other discount, a discount of 5% shall apply to the electric bill. Procedures as to qualification will be established by the Electric Utility Department.



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

EXHIBIT D

SCHEDULE G1

GENERAL SERVICE - GROUP 1 COMMERCIAL/INDUSTRIAL

APPLICABILITY

This schedule is applicable to customers with single-phase or three-phase service, or to a combination thereof, whose energy consumption does not exceed 8,000 kilowatt-hours (kWh) per billing cycle for three consecutive billing cycles. This schedule is not available for service when another commercial/industrial schedule is applicable.

Assignment to Schedule: If, in the judgement of the City, an account is expected to have usage below 8,000 kWh per billing cycle, the City has the option of placing the account immediately on this schedule.

When an account billed on this schedule permanently changes the nature of electrical operations to such an extent that the account would in time qualify for another rate schedule, such billing change will be made as soon as practicable after verification of said changes.

If energy consumption equals or exceeds 8,000 kWh for three consecutive billing cycles, the City will transfer the account to the appropriate rate schedule. If the demand reaches or exceeds 400 kW for three consecutive billing cycles, the account will be transferred to the appropriate rate schedule.

RATES:

Customer Charge: (per meter per billing cycle)

Single-Phase Service	\$7.00
Three-Phase or Combination Service	10.35

Energy Charge: (per kWh)

Summer (May through October) .....	. 13894
Winter (November through April) .....	. 09210

PURCHASED POWER COST ADJUSTMENT (PPCA):

A purchased power cost adjustment may be included in each bill for service. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the adjustment amount per kWh. The adjustment amount per kWh will be calculated to reflect amounts charged the City by various suppliers of bulk power not covered in the above rates.

SCHEDULE G1

GENERAL SERVICE - GROUP 1 COMMERCIAL/INDUSTRIAL

CHEROKEE LANE ECONOMIC INCENTIVE DISCOUNT:

G1-Commercial/Industrial customers establishing accounts in the Cherokee Lane portion of the Central City Revitalization Area on or after January 1, 1995, are eligible for the following discounts on Energy and Demand charges:

July 1, 1996 - June 30, 1997	20%
July 1, 1997 - June 30, 1998	15%
July 1, 1998 - June 30, 1999	10%
July 1, 1999 - June 30, 2000	5%
After June 30, 2000	0%

It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.

This discount may not be used in conjunction with any other incentive discount.

COMMERCIAL DEVELOPMENT INCENTIVE DISCOUNT:

G1-Commercial/Industrial customers establishing accounts in the City of Lodi on or after January 1, 1995, are eligible for the following discount on Energy and Demand charges:

July 1, 1996 - June 30, 1999	10%
July 1, 1999 - June 30, 2000	5%
After June 30, 2000	0%

It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.

This discount may not be used in conjunction with any other incentive discount.

COMMUNITY BENEFITS INCENTIVE DISCOUNT:

G1-Non-profit (as defined in Federal Internal Revenue 501 (c) (3)) Industrial/Commercial customers who are currently receiving Federal Community Development Block Grant funds or have received such funds not more than two years before preparation of the current billing cycle charge are eligible for the following discount on Energy and Demand charges:

July 1, 1996 and after	30%
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It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.

This discount may not be used in conjunction with any other incentive discount.

CORE AREA ECONOMIC INCENTIVE DISCOUNT:

SCHEDULE G1

GENERAL SERVICE - GROUP 1 COMMERCIAL/INDUSTRIAL

G1-Commercial/Industrial customers establishing accounts in the Core Area of the Central City Revitalization Area on or after January 1, 1995, are eligible for the following discounts on Energy and Demand charges:

July 1, 1996 - June 30, 1997	40%
July 1, 1997 - June 30, 1998	30%
July 1, 1998 - June 30, 1999	20%
July 1, 1999 - June 30, 2000	10%
After June 30, 2000	0%

It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.

This discount may not be used in conjunction with any other incentive discount.

BILLING CYCLE CHARGE (MONTHLY BILL):

The billing cycle charge is the sum of the Customer Charge, the Energy Charge and the PPCA.



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

EXHIBIT E

SCHEDULE G2

GENERAL SERVICE - GROUP 2 COMMERCIAL/INDUSTRIAL

APPLICABILITY:

This schedule will be applied to accounts with energy consumption in excess of 8,000 kilowatt-hours (kWh) for three consecutive billing cycles. This schedule is not available for service when another commercial/industrial schedule is applicable.

Billing Demand: The billing demand in any billing cycle will be the maximum average power taken during any metering interval in the period, but not less than the diversified resistance welder load. (The customary metering interval is 15 minutes; in cases where the use of energy is intermittent or subject to violent fluctuations, a 5-minute interval may be used.)

Assignment to Schedule: If, in the judgement of the City, an account is expected to have usage over 8,000 kWh per billing cycle, the City has the option of placing the account immediately on this schedule.

When an account billed on this schedule permanently changes the nature of electrical operations to such an extent that the account would in time qualify for another rate schedule, such billing change will be made as soon as practicable after verification of said changes. It shall be the responsibility of the customer to notify the City of any such changes.

If energy consumption drops below 8,000 kWh and remains there for 12 consecutive billing cycles, the City will transfer the account to the appropriate schedule. If the billing demand reaches or exceeds 400 kW for three consecutive billing cycles, the account will be transferred to the appropriate rate schedule as soon as practicable.

RATES:

Customer Charge (per meter per billing cycle).....	\$56.38
Demand Charge:	
All kW of billing demand, per kW	3.90
Energy Charge: (per kWh)	
Summer (May through October) .....	. 09950
Winter (November through April) .....	. 07001

SCHEDULE G2

GENERAL SERVICE - GROUP 2 COMMERCIAL/INDUSTRIAL

PURCHASED POWER COST ADJUSTMENT (PPCA):

A purchased power cost adjustment may be included in each bill for service. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the adjustment amount per kWh. The adjustment amount per kWh will be calculated to reflect amounts charged the City by various suppliers of bulk power not covered in the above rates.

VOLTAGE DISCOUNT:

When delivery is made at the same primary distribution voltage as that of the line from which the service is supplied, a 4% discount will be allowed on the sum of the Demand Charge and the Energy Charge.

CHEROKEE LANE ECONOMIC INCENTIVE DISCOUNT:

G2-Commercial/Industrial customers establishing accounts in the Cherokee Lane portion of the Central City Revitalization Area on or after January 1, 1995 are eligible for the following discounts on Energy and Demand charges:

July 1, 1996 - June 30, 1997	20%
July 1, 1997 - June 30, 1998	15%
July 1, 1998 - June 30, 1999	10%
July 1, 1999 - June 30, 2000	5%
After June 30, 2000	0%

It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.

This discount may not be used in conjunction with any other incentive discount.

COMMERCIAL DEVELOPMENT INCENTIVE DISCOUNT:

G2-Commercial//Industrial customers establishing accounts in the City of Lodi on or after January 1, 1995 are eligible for the following discount on Energy and Demand Charges:

July 1, 1996 - June 30, 1999	10%
July 1, 1999 - June 30, 2000	5%
After June 30, 2000	0%

SCHEDULE G2

GENERAL SERVICE - GROUP 2 COMMERCIAL/INDUSTRIAL

It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.

This discount may not be used in conjunction with any other incentive discount.

COMMUNITY BENEFITS INCENTIVE DISCOUNT:

G2-Non-profit (as defined in Federal Internal Revenue 501 (c) (3)) Industrial/Commercial customers who are currently receiving Federal Community Development Block Grant funds or have received such funds not more than two years before preparation of the current billing cycle charge are eligible for the following discount on Energy and Demand charges:

July 1, 1996 and after	30%
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It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.

This discount may not be used in conjunction with any other incentive discount.

CORE AREA ECONOMIC INCENTIVE DISCOUNT:

Commercial/Industrial customers establishing accounts in the Core Area of the Central City Revitalization Area on or after January 1, 1995, are eligible for the following discounts on Energy and Demand charges:

July 1, 1996 - June 30, 1997	40%
July 1, 1997 - June 30, 1998	30%
July 1, 1998 - June 30, 1999	20%
July 1, 1999 - June 30, 2000	10%
After June 30, 2000	0%

It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.

This discount may not be used in conjunction with any other incentive discount.

BILLING CYCLE CHARGE (MONTHLY BILL):

The billing cycle charge is the sum of the Customer Charge, the Demand Charge, the Energy Charge, the PPCA and the voltage discount, if applicable.



CITY OF LODI EXHIBIT F

ELECTRIC UTILITY DEPARTMENT

SCHEDULE G3

GENERAL SERVICE - GROUP 3 COMMERCIAL/INDUSTRIAL

APPLICABILITY

This schedule shall be applied to accounts with billing period demands of between 400 kilowatts (kW) and 500 kW for three consecutive billing cycles. This schedule is not available for service when another commercial/industrial schedule is applicable.

Demand: The billing period and peak period demands will be the maximum average power taken during any 15-minute interval in the billing period and peak period, respectively, but not less than the diversified resistance welder load. In cases where the use of energy is intermittent or subject to violent fluctuations, a 5-minute interval may be used.

Assignment to Schedule: If, in the judgement of the City, an account is expected to have billing period demand of 400 kW or more and less than 500 kW per billing cycle, the City has the option of placing the account immediately on this schedule.

When an account billed on this schedule permanently changes the nature of electrical operations to such an extent that the account would in time qualify for another rate schedule, such billing change will be made as soon as practicable after verification of said changes. It shall be the responsibility of the customer to notify the City of any such changes.

If billing period demand drops below 400 kW and remains there for 12 consecutive billing cycles, the City will transfer the account to the appropriate rate schedule. If billing period demand reaches or exceeds 500 kW for three consecutive billing cycles, the account will be transferred to the appropriate rate schedule.

SCHEDULE G3

GENERAL SERVICE - GROUP 3 COMMERCIAL/INDUSTRIAL

RATES:

Customer Charge (per meter per billing cycle) \$128.13

Service Voltage: Season:	Secondary (G3-S)		Primary (G3-P)	
	Summer	Winter	Summer	Winter
Demand Charges:				
Per kW of peak period demand	\$10.92	--	\$10.25	--
Per kW of billing period demand	3.90	\$3.90	3.02	\$3.02
Energy Charge:				
Peak period (per kWh) ....	.11626	--	.11045	--
Partial peak period (per kWh) .....	.08424	.07215	.08003	.06854
Off peak period (per kWh) .....	.06608	.06195	.06277	.05885

PURCHASED POWER COST ADJUSTMENT (PPCA):

A purchased power cost adjustment may be included in each bill for service. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the adjustment amount per kWh. The adjustment amount per kWh will be calculated to reflect amounts charged the City by various suppliers of bulk power not covered in the above rates.

TYPES OF CHARGES:

The billing cycle charge for service is the sum of the Customer Charge, the Demand Charges, the Energy Charges, the PPCA and the Power Factor Adjustment:

CUSTOMER CHARGE: The Customer Charge is a flat monthly fee.

DEMAND CHARGES: This schedule has two Demand Charges: A peak period Demand Charge and a billing period Demand Charge. The peak period Demand Charge per kW applies to the maximum average power taken during any metering interval during the billing cycle's peak hours. The billing period Demand Charge per kW applies to the maximum average power taken during any metering interval at any time during the billing cycle. The bill will include both Demand Charges. Time periods are defined below.

ENERGY CHARGES: This schedule has three Energy Charges: A peak period Energy Charge, a partial peak period Energy Charge, and an off peak period Energy Charge. The peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's peak hours. Partial peak period Energy

SCHEDULE G3

GENERAL SERVICE - GROUP 3 COMMERCIAL/INDUSTRIAL

Charge per kWh applies to the total kWh used during the billing cycle's partial peak hours. Off peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's off peak hours. The bill will include all of these Energy Charges. Time periods are defined below.

PPCA: The PPCA is a per kWh charge applied to the total kWh used during the billing cycle.

Monthly charges may be decreased or increased based upon power factor as defined below.

As shown on the rates above, Demand and Energy Charges are based on the voltage at which service is taken. Service voltages are defined below.

DEFINITION OF SERVICE VOLTAGE:

The service voltage classes are:

- (a) Primary: Service Voltage class for service at 12,000 volts (nominal).
- (b) Secondary: Service Voltage class for service at available voltages below 12,000 volts (nominal).

POWER FACTOR ADJUSTMENT:

Bills will be adjusted for billing cycle average power factor as follows:

The total charge (except taxes and customer charge) for any billing cycle as computed on the above rates shall be decreased or increased, respectively, by 0.0006% for each 0.01 percentage point that the average power factor of the customer's load in the billing cycle is greater or less than 85.00%, such average power factor to be computed (to the nearest hundredth of a percent) from the ratio of lagging kilovolt ampere-hours to kilowatt-hours consumed in the billing cycle.

Customers with service entrance equipment unable to accommodate the City's reactive metering equipment shall have their billing power factor determined by testing performed by the City.

SCHEDULE G3

GENERAL SERVICE - GROUP 3 COMMERCIAL/INDUSTRIAL

DEFINITION OF TIME PERIODS:

Times of the year and times of the day are defined as follows:

SUMMER: (May 1 through October 31)

- Peak: 3:00 p.m. to 7:00 p.m. Monday through Friday (except holidays).
- Partial Peak: 8:30 a.m. to 3:00 p.m. and 7:00 p.m. to 9:30 p.m. Monday through Friday (except holidays).
- Off Peak: 9:30 p.m. to 8:30 a.m. Monday through Friday and all day Saturday, Sunday and holidays.

WINTER: (November 1 through April 30)

- Partial Peak: 8:30 a.m. to 9:30 p.m. Monday through Friday (except holidays).
- Off Peak: 9:30 p.m. to 8:30 a.m. Monday through Friday and all day Saturday, Sunday and holidays.

HOLIDAYS:

"Holidays," for the purpose of this rate schedule, are New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day, the day after Thanksgiving Day and Christmas Day. The dates will be based on those days on which the holidays are legally observed.



CITY OF LODI EXHIBIT G

ELECTRIC UTILITY DEPARTMENT

SCHEDULE G4

GENERAL SERVICE - GROUP 4 COMMERCIAL/INDUSTRIAL

APPLICABILITY:

This schedule shall be applied to accounts with billing period demands of between 500 kilowatts (kW) and 1,000 kW for three consecutive billing cycles. This schedule is not available for service when another commercial/industrial schedule is applicable.

Demand: The billing period and peak period demands will be the maximum average power taken during any 15-minute interval in the billing period and peak period, respectively, but not less than the diversified resistance welder load. In cases where the use of energy is intermittent or subject to violent fluctuations, a 5-minute interval may be used.

Assignment to Schedule: If, in the judgement of the City, an account is expected to have billing period demand between 500 kW and 1,000 kW per billing cycle, the City has the option of placing the account immediately on this schedule.

When an account billed on this schedule permanently changes the nature of electrical operations to such an extent that the account would in time qualify for another rate schedule, such billing change will be made as soon as practicable after verification of said changes. It shall be the responsibility of the customer to notify the City of any such changes.

If billing period demand drops below 500 kW and remains there for 12 consecutive billing cycles, the City will transfer the account to the appropriate rate schedule. If billing period demand reaches or exceeds 1,000 kW for three consecutive billing cycles, the account will be transferred to the appropriate rate schedule.

SCHEDULE G4

GENERAL SERVICE - GROUP 4 COMMERCIAL/INDUSTRIAL

RATES:

Customer Charge (per meter per billing cycle)					\$128.13
Service Voltage:	Secondary (G4-S)		Primary (G4-P)		
Season:	Summer	Winter	Summer	Winter	
Demand Charges:					
Per kW of peak period demand	\$10.92	--	\$10.25	--	
Per kW of billing period demand	3.90	\$3.90	3.02	\$3.02	
Energy Charges:					
Peak period (per kWh) .	.11489	--	.10914	--	
Partial peak period (per kWh) .....	.08283	.07146	.07869	.06789	
Off peak period (per kWh) .....	.06470	.06134	.06146	.05828	

PURCHASED POWER COST ADJUSTMENT (PPCA):

A purchased power cost adjustment may be included in each bill for service. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the adjustment amount per kWh. The adjustment amount per kWh will be calculated to reflect amounts charged the city by various suppliers of bulk power not covered in the above rates.

TYPES OF CHARGES:

The billing cycle charge for service is the sum of the Customer Charge, the Demand Charges, the Energy Charges, the PPCA and the Power Factor Adjustment:

CUSTOMER CHARGE: The Customer Charge is a flat monthly fee.

DEMAND CHARGES: This schedule has two Demand Charges: A peak period Demand Charge and a billing period Demand Charge. The peak period Demand Charge per kW applies to the maximum average power taken during any metering interval during the billing cycle's peak hours. The billing period Demand Charge per kW applies to the maximum average power taken during any metering interval at any time during the billing cycle. The bill will include both of these Demand Charges. Time periods are defined below.

SCHEDULE G4

GENERAL SERVICE - GROUP 4 COMMERCIAL/INDUSTRIAL

ENERGY CHARGES: This schedule has three Energy Charges: A peak period Energy Charge, a partial peak period Energy Charge, and an off peak period Energy Charge. The peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's peak hours. Partial peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's partial peak hours. Off peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's off peak hours. The bill will include all of these Energy Charges. Time periods are defined below.

PPCA: The PPCA is a per kWh charge applied to the total kWh used during the billing cycle.

Monthly charges may be decreased or increased based upon power factor as defined below.

As shown on the rates above, Demand and Energy Charges are based on the voltage at which service is taken. Service Voltages are defined below.

DEFINITION OF SERVICE VOLTAGE:

The service voltage classes are:

- (a) Primary: Service Voltage class for service at 12,000 volts(nominal).
- (b) Secondary: Service Voltage class for service at available voltages below 12,000 volts (nominal).

POWER FACTOR ADJUSTMENT:

Bills will be adjusted for billing cycle average power factors as follows:

The total charge (except taxes and customer charge) for any billing cycle as computed on the above rates shall be decreased or increased, respectively, by 0.0006% for each 0.01 percentage point that the average power factor of the customer's load in the billing cycle is greater or less than 85.00%, such average power factor to be computed (to the nearest hundredth of a percent) from the ratio of lagging kilovolt ampere-hours to kilowatt-hours consumed in the billing cycle.

Customers with service entrance equipment unable to accommodate the City's reactive metering equipment shall have their billing power factor determined by testing performed by the City.

SCHEDULE G4

GENERAL SERVICE - GROUP 4 COMMERCIAL/INDUSTRIAL

DEFINITION OF TIME PERIODS:

Times of the year and times of the day are defined as follows:

SUMMER (May 1 through October 31)

Peak: 3:00 p.m. to 7:00 p.m. Monday through Friday (except holidays).

Partial Peak: 8:30 a.m. to 3:00 p.m. and 7:00 p.m. to 9:30 p.m. Monday through Friday (except holidays).

Off Peak: 9:30 p.m. to 8:30 a.m. Monday through Friday and all day Saturday, Sunday and holidays.

WINTER (November 1 through April 30)

Partial Peak: 8:30 a.m. to 9:30 p.m. Monday through Friday (except holidays).

Off Peak: 9:30 p.m. to 8:30 a.m. Monday through Friday and all day Saturday, Sunday and holidays.

HOLIDAYS:

"Holidays," for the purpose of this rate schedule, are New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, the Day after Thanksgiving Day and Christmas Day. The dates will be based on those days on which the holidays are legally observed.



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

EXHIBIT H

SCHEDULE G5

GENERAL SERVICE - GROUP 5 COMMERCIAL/INDUSTRIAL

APPLICABILITY:

This schedule shall be applied to accounts with billing period demands of 1,000 kilowatts (kW) or more for three consecutive months, unless the customer elects an optional rate schedule the account would otherwise qualify for.

Demand: The billing period and peak period demands will be the maximum average power taken during any 15-minute interval in the billing period and peak period, respectively, but not less than the diversified resistance welder load. In cases where the use of energy is intermittent or subject to violent fluctuations, a 5-minute interval may be used.

Assignment to Schedule: If, in the judgement of the City, an account is expected to have billing period demand of 1,000 kW or more per billing cycle, the City has the option of placing the account immediately on this schedule.

When an account billed on this schedule permanently changes the nature of electrical operations to such an extent that the account would in time qualify for another rate schedule, such billing change will be made as soon as practicable after verification of said changes. It shall be the responsibility of the customer to notify the City of any such change.

If billing period demand drops below 1,000 kW and remains there for 12 consecutive billing cycles, the City will transfer the account to the appropriate rate schedule

SCHEDULE G5

GENERAL SERVICE - GROUP 5 COMMERCIAL/INDUSTRIAL

RATES:

Customer Charge (per meter per billing cycle)	\$128.13			
Service Voltage:	Secondary (G5-S)		Primary (G5-P)	
Season:	Summer	Winter	Summer	Winter
Demand Charges:				
Per kW of peak period demand.....	\$10.92	--	\$10.25	--
Per kW of billing period demand.....	3.90	\$3.90	3.02	\$3.02
Energy Charges:				
Peak period (per kWh).....	.10881	--	.10337	--
Partial peak period (per kWh).....	.07681	.06557	.07297	.06229
Off peak period (per kWh).....	.06068	.05780	.05765	.05491
Economic Stimulus Rate				
Credit: (per kWh).....	.00410	.00410	.00410	.00410

PURCHASED POWER COST ADJUSTMENT (PPCA):

A purchased power cost adjustment may be included in each bill for service. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the adjustment amount per kWh. The adjustment amount per kWh will be calculated to reflect amounts charged the City by various suppliers of bulk power not covered in the above rates.

TYPES OF CHARGES:

The billing cycle for service is the sum of the Customer Charge, the Demand Charges, the Energy Charges, the PPCA and the Power Factor Adjustment.

CUSTOMER CHARGE: The Customer Charge is a flat monthly fee.

DEMAND CHARGES: This schedule has two Demand Charges: A peak period Demand Charge and a billing period Demand Charge. The peak period Demand Charge per kW applies to the maximum average power taken during any metering interval during the billing cycle's peak hours. The billing period Demand Charge per kW applies to the maximum average power taken during any metering interval at any time during the billing cycle. The bill will include both of these Demand Charges. Time periods are defined below.

SCHEDULE G5

GENERAL SERVICE - GROUP 5 COMMERCIAL/INDUSTRIAL

ENERGY CHARGES: This schedule has three Energy Charges: A peak period Energy Charge, a partial peak period Energy Charge, and an off peak period Energy Charge. The peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's peak hours. Partial peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's partial peak hours. Off peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's off peak hours. The bill will include all of these Energy Charges. Time periods are defined below.

PPCA: The PPCA is a per kWh charge applied to the total kWh used during the billing cycle.

Monthly charges may be decreased or increased based upon power factor as defined below.

As shown on the rates above, Demand and Energy Charges are based on the voltage at which service is taken. Service Voltages are defined below.

DEFINITION OF SERVICE VOLTAGE:

The service voltage classes are:

- (a) Primary: Service Voltage class for service at 12,000 volts (nominal).
- (b) Secondary: Service Voltage class for service at available voltages below 12,000 volts (nominal).

POWER FACTOR ADJUSTMENTS:

Bills will be adjusted for billing cycle average power factor as follows:

The total charge (except taxes and customer charge) for any billing cycle as computed on the above rates shall be decreased or increased, respectively, by 0.0006% for each 0.01 percentage point that the average power factor of the customer's load in the billing cycle is greater or less than 85.00%, such average power factor to be computed (to the nearest hundredth of a percent) from the ratio of lagging kilovolt ampere-hours to kilowatt-hours consumed in the billing cycle.

Customers with service entrance equipment unable to accommodate the City's reactive metering equipment shall have their billing power factor determined by testing performed by the City.

SCHEDULE G5

GENERAL SERVICE - GROUP 5 COMMERCIAL/INDUSTRIAL

DEFINITION OF TIME PERIODS:

Times of the year and times of the day are defined as follows:

SUMMER: (May 1 through October 31)

Peak: 3:00 p.m. to 7:00 p.m. Monday through Friday (except holidays).

Partial Peak: 8:30 a.m. to 3:00 p.m. and 7:00 p.m. to 9:30 p.m. Monday through Friday (except holidays).

Off Peak: 9:30 p.m. to 8:30 a.m. Monday through Friday and all day Saturday, Sunday and holidays.

WINTER: (November 1 through April 30)

Partial Peak: 8:30 a.m. to 9:30 p.m. Monday through Friday (except holidays).

Off Peak: 9:30 p.m. to 8:30 a.m. Monday through Friday and all day Saturday, Sunday and holidays.

HOLIDAYS:

"Holidays," for the purpose of this rate schedule, are New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day, the day after Thanksgiving Day and Christmas Day. The dates will be based on those days on which the holidays are legally observed.



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

EXHIBIT I

SCHEDULE I1

GENERAL SERVICE – GROUP 5 – COMMERCIAL / INDUSTRIAL – OPTIONAL

APPLICABILITY:

This schedule is an optional rate for accounts who would otherwise qualify for primary service under the G5 rate schedule with billing period demands of 1,000 kilowatts (kW) or more for three consecutive months.

Demand: The billing period and peak period demands will be the maximum average power taken during any 15-minute period interval in the billing period and peak period, respectively, but not less than the diversified resistance welder load. In cases where the use of energy is intermittent or subject to violent fluctuations, a 5-minute interval may be used.

Assignment to Schedule: Assignment to this schedule is at the option of the customer and does not supersede any standby service contracts.

This rate schedule is prospective and not subject to rebate or retroactivity.

When a customer chooses to be assigned to this schedule, the customer elects the City of Lodi (City) to be the sole electric power requirements provider of choice. The customer must give the City three year written notice before the customer can elect to use another electric power requirements provider.

When a customer has a measurable incremental permanent load increase of 200 kW or greater, over the highest billing period demand in the previous twelve (12) months the customer will be eligible for a ten (10) percent discount on the incremental Demand and Energy charges. Such billing change will be made as soon as practicable after verification of said changes and is not subject to rebate or retroactivity. It shall be the responsibility of the customer to notify the City of any such change.

When an account billed on this schedule qualifies for another City bundled rate schedule, the customer may elect to be billed on that other rate schedule. When a customer chooses to be assigned to another bundled rate a three year written notice is still required before the customer can elect to use another electric power requirements provider.

If the billing period demand drops below 1,000 kW and remains there for 12 consecutive billing cycles, the City will transfer the account to the appropriate rate schedule and the customer will be subject to the requirements of the appropriate schedule, rather than schedule I1.

SCHEDULE 11

GENERAL SERVICE – GROUP 5 – COMMERCIAL / INDUSTRIAL – OPTIONAL

RATES:

Customer Charge (per meter per billing cycle)..... \$128.13

Service Voltage: Season	Primary (11-P) Summer	Winter
----------------------------	--------------------------	--------

Demand Charges:

Per kW of peak period demand	\$10.25	--
Per kW of billing period demand	3.02	\$3.02

Energy Charges:

Peak period (per kWh) .....	.10241	--
Partial peak period		
(per kWh) .....	.07172	.06377
Off peak period		
(per kWh) .....	.05685	.05620

Economic Stimulus Rate

Credit : (per kWh)01294	.01294
--------------------------	--------	--------

PURCHASED POWER COST ADJUSTMENT (PPCA):

A purchased power cost adjustment may be included in each bill for service. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the adjustment amount per kWh. The adjustment amount per kWh will be calculated to reflect amounts charged the City by various suppliers of bulk power not covered in the above rates.

TYPES OF CHARGES:

The billing cycle charge for service is the sum of the Customer Charge, the Demand Charges, the Energy Charges, the PPCA and the Power Factor Adjustment:

CUSTOMER CHARGE: The Customer Charge is a flat monthly fee.

DEMAND CHARGES: This schedule has two Demand Charges: A peak period Demand Charge and a billing period Demand Charge. The peak period Demand Charge per kW applies to the maximum average power taken during any metering interval during the billing cycle's peak hours. The billing period Demand Charge per kW applies to the maximum average power taken during any metering interval at any time during the billing cycle. The bill will include both of these Demand Charges. Time periods are defined below.

SCHEDULE I1

GENERAL SERVICE – GROUP 5 – COMMERCIAL / INDUSTRIAL – OPTIONAL

ENERGY CHARGES: This schedule has three Energy Charges: A peak period Energy Charge, a partial peak period Energy Charge, and an off peak period Energy Charge. The peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's peak hours. Partial peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's partial peak hours. Off peak period Energy Charge per kWh applies to the total kWh used during the billing cycle's off peak hours. The bill will include all of these Energy Charges. Time periods are defined below.

PPCA: The PPCA is a per kWh charge applied to the total kWh used during the billing cycle.

Monthly charges may be decreased or increased based upon power factor as defined below.

As shown on the rates above, Demand and Energy Charges are based on the voltage at which service is taken. Service Voltage is defined below.

DEFINITION OF SERVICE VOLTAGE:

The service voltage class:

Primary: Service Voltage class for service at 12,000 volts (nominal).

POWER FACTOR ADJUSTMENTS:

Bills will be adjusted for billing cycle average power factor as follows:

The total charge (except taxes and customer charge) for any billing cycle as computed on the above rates shall be decreased or increased, respectively, by 0.0006% for each 0.01 percentage point that the average power factor of the customer's load in the billing cycle is greater or less than 85.00%, such average power factor to be computed (to the nearest hundredth of a percent) from the ratio of lagging kilovolt ampere-hours to kilowatt-hours consumed in the billing cycle.

Customer with service entrance equipment unable to accommodate the City's reactive metering equipment shall have their billing power factor determined by testing performed by the City.

SCHEDULE I1

GENERAL SERVICE – GROUP 5 – COMMERCIAL / INDUSTRIAL – OPTIONAL

DEFINITION OF TIME PERIODS:

Times of the year and times of the day are defined as follows:

SUMMER (May 1 through October 31)

Peak: 3:00 p.m. to 7:00 p.m. Monday through Friday (except holidays).

Partial Peak: 8:30 a.m. to 3:00 p.m. and 7:00 p.m. to 9:30 p.m. Monday through Friday (except holidays).

Off Peak: 9:30 p.m. to 8:30 a.m. Monday through Friday and all day Saturday, Sunday and holidays.

WINTER (November 1 through April 30)

Partial Peak: 8:30 a.m. to 9:30 p.m. Monday through Friday (except holidays).

Off Peak: 9:30 p.m. to 8:30 a.m. Monday through Friday and all day Saturday, Sunday and holidays.

HOLIDAYS

"Holidays," for the purpose of this rate schedule, are New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day, the day after Thanksgiving Day and Christmas Day. The dates will be based on those days on which the holidays are legally observed.



CITY OF LODI
Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: October 16, 2002

Time: 7:00 p.m.

For information regarding this notice please contact:

Susan J. Blackston
City Clerk
Telephone: (209) 333-6702

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, October 16, 2002** at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a Public Hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) Electric Rate changes for All Classes Excluding Residential SHARE Program and Residential Medical Rider due to California Independent System Operator (CAISO) charges. (EUD)

Information regarding this item may be obtained in the office of the Electric Utility Department Director, 1331 South Ham Lane, Lodi, California. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, Lodi, California at or prior to the Public Hearing.

By Order of the Lodi City Council:

A handwritten signature in cursive script, reading "Susan J. Blackston".

Susan J. Blackston
City Clerk

Dated: September 18, 2002

Approved as to form:

A handwritten signature in cursive script, reading "Randall A. Hays".

Randall A. Hays
City Attorney



DECLARATION OF POSTING

**SET PUBLIC HEARING FOR OCTOBER 16, 2002 TO CONSIDER ELECTRIC RATE
CHANGES FOR ALL CLASSES EXCLUDING RESIDENTIAL SHARE PROGRAM
AND RESIDENTIAL MEDICAL RIDER DUE TO CALIFORNIA INDEPENDENT
SYSTEM OPERATOR (CAISO) CHARGES.**

On Thursday, September 19, 2002 in the City of Lodi, San Joaquin County, California, a copy of the Notice of Public Hearing to Electric Rate changes for All Classes Excluding Residential SHARE Program and Residential Medical Rider due to California Independent System Operator (CAISO) charges (attached hereto, marked Exhibit "A") was posted at the following four locations:

Lodi Public Library
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on September 19, 2002 at Lodi, California.

ORDERED BY:

**SUSAN J. BLACKSTON
CITY CLERK**

Jacqueline L. Taylor
Deputy City Clerk

Jennifer M. Perrin
Deputy City Clerk

A handwritten signature in black ink, appearing to read "Patricia Ochoa", is written over a horizontal line.

Patricia Ochoa
Administrative Clerk



***Please immediately confirm receipt
of this fax by calling 333-6702***

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: SET PUBLIC HEARING FOR OCTOBER 16, 2002 TO CONSIDER ELECTRIC
RATE CHANGES FOR ALL CLASSES EXCLUDING RESIDENTIAL SHARE
PROGRAM AND RESIDENTIAL MEDICAL RIDER DUE TO CALIFORNIA
INDEPENDENT SYSTEM OPERATOR (CAISO) CHARGES

LEGAL AD

PUBLISH DATE: SATURDAY, SEPTEMBER 21, 2002

TEAR SHEETS WANTED: Three (3) please

SEND AFFIDAVIT AND BILL TO:

SUSAN BLACKSTON, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: Thursday, September 19, 2002

ORDERED BY:

PATRICIA OCHOA
ADMINISTRATIVE CLERK

JACQUELINE L. TAYLOR
DEPUTY CITY CLERK

JENNIFER M. PERRIN
DEPUTY CITY CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

Faxed to the Sentinel at 369-1084 at _____ (time) on _____ (date) _____ (pages)
Kelsey _____ Phoned to confirm receipt of all pages at _____ (time) _____ Jac _____ Tricia _____ Jen (initials)



G-3

ROBERT K. WHEELER
Plant Manager

.....
GENERAL MILLS

RECEIVED

OCT 15 2002

City Clerk
City of Lodi

October 15, 2002

Susan Hitchcock
Emily Howard
Keith Land
Alan Nakanishi
Phil Pennino

City of Lodi, Lodi City Council
221 W. Pine Street
Lodi, CA 95240

Dear Members of the Lodi City Council,

It is my understanding that you will be discussing potential electric rate increases and I wanted to take this opportunity to provide you with rate comparisons for General Mills cereal sites across the United States. (Please see attached.)

Energy costs are a major ingredient in cereal manufacturing and one variable that can influence sourcing decisions. Over the years with the City's help, the Lodi plant has tried to remain competitive in our electrical costs in comparison to the other General Mills sites. However, you will note that we still remain higher than the average and rank 5th highest of the seven cereal plants.

I wanted you to have this information as you consider any potential rate increase that would affect our business, and ask for your help in keeping the Lodi plant competitive.

As always, thank you for your consideration and if you if you have any questions, please feel free to contact me at 334-7139.

Sincerely,

Bob Wheeler

Cc: Dixon Flynn
Alan Vallow

GENERAL MILLS ELECTRIC COSTS COMPARISON

<u>PLANT LOCATION</u>	<u>ELECTRIC COSTS PER 1000 kwh</u>
1.) Covington	34.67
2.) Cincinnati	44.97
3.) Cedar Rapids	45.10
4.) Buffalo	48.76
5.) Lodi	56.56
6.) Chicago	57.80
7.) Albuquerque	60.23
AVERAGE	49.72

filed 10-16-02

City of Lodi, California																
Electric System Operating Pro Forma - (Debt Service on 1/1 and 7/1 Fiscal Year)																
Electric System Cashflow ⁽¹⁾ - Equal Series 2002C and D																
	Actual FY 2000	Actual FY 2001	Projected FY 2002	Projected FY 2003	Projected FY 2004	Projected FY 2005	Projected FY 2006	Projected FY 2007	Projected FY 2008	Projected FY 2009	Projected FY 2010	Projected FY 2011	Projected FY 2012	Projected FY 2013	Projected FY 2014	Projected FY 2015
OPERATING REVENUES:																
1 Investment/Property Revenues ⁽²⁾	\$2,896,347	\$4,916,476	\$1,501,105	\$93,555	\$230,395	\$270,321	\$324,366	\$393,762	\$451,611	\$496,763	\$525,430	\$538,229	\$572,691	\$625,774	\$641,121	\$645,628
2 Rate Revenue	38,643,042	39,859,072	39,638,239	41,641,210	42,890,447	43,426,577	43,969,410	45,632,003	46,202,403	46,779,933	47,364,682	49,156,145	49,770,596	50,392,729	51,022,638	51,660,421
3 Market Cost Adjustment	-	256,009	8,480,410	8,800,000	8,600,000	8,000,000	7,600,000	7,400,000	7,200,000	7,000,000	6,800,000	6,600,000	6,400,000	6,200,000	6,000,000	5,800,000
4 Transfers from Reserves	-	5,670,000	8,550,000	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Other Revenues	1,213	14,415	763,456	500,000	-	-	-	-	-	-	-	-	-	-	-	-
6 Total Revenues	41,540,602	50,715,972	58,933,210	51,034,766	51,720,842	51,696,898	51,893,776	53,425,764	53,854,014	54,276,696	54,690,112	56,294,373	56,743,288	57,218,503	57,663,759	58,106,049
OPERATING EXPENSES:																
7 Operating Expenditures	8,395,120	7,268,261	4,640,521	4,925,000	5,100,000	5,400,000	6,100,000	6,973,351	7,112,818	7,255,075	7,400,176	7,548,180	7,699,143	7,853,126	8,010,188	8,170,392
8 City Administration Charges	1,398,735	1,697,136	2,259,303	2,253,035	2,331,891	2,413,507	2,497,980	2,585,409	2,675,899	2,769,555	2,866,490	2,966,817	3,070,655	3,178,128	3,289,363	3,404,491
9 Bulk Power	27,722,088	40,358,176	49,657,797	33,278,974	30,069,957	30,446,369	29,940,297	30,460,658	28,409,192	31,639,246	32,282,934	31,380,537	29,485,229	30,991,476	31,539,446	32,235,088
0 Total Operating Expenses	37,515,943	49,323,573	56,557,621	40,457,009	37,501,848	38,259,877	38,538,277	40,019,418	38,197,909	41,663,876	42,549,599	41,895,533	40,255,027	42,022,731	42,838,998	43,809,971
1 Net Operating Revenues (a)	\$4,024,659	\$1,392,399	\$2,375,589	\$10,577,757	\$14,218,994	\$13,437,021	\$13,355,498	\$13,406,346	\$15,656,105	\$12,612,819	\$12,140,513	\$14,398,840	\$16,488,260	\$15,195,772	\$14,824,761	\$14,296,078
Direct Debt Service																
2 1999 COPs	1,329,593	1,391,435	695,718	-	-	-	-	-	-	-	-	-	-	-	-	-
4 2002A COPs	-	-	519,105	1,170,403	1,170,403	1,170,403	1,461,718	1,753,032	1,753,032	1,753,032	1,753,032	3,207,657	3,494,178	3,497,860	3,503,328	3,505,334
5 2002B COPs	-	-	1,244,555	3,865,570	2,752,530	1,149,830	-	-	-	-	-	-	-	-	-	-
6 2002C and D COPs ⁽³⁾	-	-	1,860,634	3,956,788	3,953,961	3,953,961	3,953,353	3,953,672	6,613,526	4,106,165	4,148,881	4,216,100	5,383,547	5,330,061	5,299,229	5,282,801
7 Total Direct Debt Service	1,329,593	1,391,435	2,459,377	6,896,606	7,879,720	6,274,193	5,417,070	5,706,704	8,366,558	5,859,197	5,901,913	7,423,757	8,877,725	8,827,921	8,802,557	8,788,135
8 Less: 1999 Project Fund Earnings	-	-	(326,769)	(1,170,403)	(692,970)	(384,770)	(133,279)	-	-	-	-	-	-	-	-	-
9 Net Direct Debt Service (b)	1,329,593	1,391,435	2,132,608	5,726,204	7,186,750	5,889,423	5,283,791	5,706,704	8,366,558	5,859,197	5,901,913	7,423,757	8,877,725	8,827,921	8,802,557	8,788,135
10 Direct Debt Service Coverage (a/b)	3.03X	1.00X	1.11X	1.85X	1.98X	2.28X	2.53X	2.35X	1.87X	2.15X	2.06X	1.94X	1.86X	1.72X	1.68X	1.63X
11 Indirect Net Debt Service (c)	13,885,630	13,254,423	11,164,502	10,861,114	10,908,627	10,982,985	9,971,435	9,770,867	6,930,177	9,436,552	9,394,461	7,875,482	6,417,730	6,466,271	6,493,420	6,508,390
12 Adj. Net Operating Revenues (b+c)	17,910,289	14,646,822	13,540,091	21,438,872	25,127,621	24,420,006	23,326,934	23,177,214	22,586,283	22,049,371	21,534,973	22,274,322	22,905,990	21,662,044	21,318,181	20,804,468
13 Overall Debt Service Coverage	1.18X	1.00X	1.02X	1.29X	1.39X	1.45X	1.53X	1.50X	1.48X	1.44X	1.41X	1.46X	1.50X	1.42X	1.39X	1.36X
FUND BALANCE:																
4 Beginning Balance (d)	14,308,527	15,895,762	6,787,089	2,425,629	4,736,726	6,067,575	7,869,096	10,182,278	12,110,594	13,615,647	14,571,228	14,997,845	16,146,598	17,916,034	18,427,580	18,577,820
5 Net Revenues less Direct Debt Service	2,695,066	964	242,981	4,851,553	7,032,244	7,547,598	8,071,707	7,699,643	7,289,548	6,753,623	6,238,600	6,975,083	7,610,535	6,367,851	6,022,204	5,507,943
6 Other Revenues ⁽⁴⁾	-	-	2,855,663	2,532,04	-	-	-	-	-	-	-	-	-	-	-	-
7 Bond Proceeds	6,000,000	-	8,250,000	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Change in Receivables ⁽⁵⁾	(1,861,510)	1,467,695	(2,141,888)	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Change in Payables ⁽⁶⁾	-	-	563,239	1,188,421	-	-	-	-	-	-	-	-	-	-	-	-
0 Change in Assets/Liabilities ⁽⁷⁾	-	-	366,258	-	-	-	-	-	-	-	-	-	-	-	-	-
1 Operating Transfer Out	(879,321)	(270,167)	(498,550)	(322,194)	(333,471)	(345,142)	(357,222)	(369,725)	(382,665)	(396,059)	(409,921)	(424,268)	(439,117)	(454,486)	(470,393)	(486,857)
2 Public Benefits	-	-	(1,171,507)	(750,000)	(757,500)	(765,075)	(772,726)	(780,453)	(788,258)	(796,140)	(804,102)	(812,143)	(820,264)	(828,467)	(836,751)	(845,119)
3 DS Coverage Transfer	-	(5,670,000)	(8,550,000)	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Transfer In ⁽⁷⁾	-	-	508,433	350,000	357,000	364,140	371,423	378,851	386,428	394,157	402,040	410,081	418,282	426,648	435,181	443,885
5 PILOT	(4,367,000)	(4,637,165)	(4,783,089)	(5,538,731)	(4,967,424)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
6 Ending Balance	15,895,762	6,787,089	2,425,629	4,736,726	6,067,575	7,869,096	10,182,278	12,110,594	13,615,647	14,571,228	14,997,845	16,146,598	17,916,034	18,427,580	18,577,820	18,197,672
7 NCFAGOR Balance	8,490,470	4,733,096	692,887	2,943,109	2,943,109	2,943,109	2,943,109	2,943,109	2,943,109	2,943,109	2,943,109	2,943,109	2,943,109	2,943,109	2,943,109	2,943,109

Notes to Pro Forma

- (1) Provided by Lodi Electric Utility.
- (2) Calculated as 3.0% investment rate on Lodi beginning fund balance and GOR fund balance.
- (3) Assuming equal proportion of tax-exempt and taxable bonds. Debt service for 2002C & D COPs net of capitalized interest on taxable portion through 7/1/03.
- (4) Reimbursement from Trustee.
- (5) Reconciliation of \$740,575 of cash versus accrued revenues plus \$1.401 MM received from transit fund for previous fiscal year.
- (6) Includes \$832,771 of accrued NCPA bill, \$390,075 of accrued capital costs, less \$1.8 MM of accrued operating expenses.
- (7) Transfer from Public Works.

City of Lodi, California
Electric System Operating Pro Forma
Monthly Electric System Operating Cashflow

	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	FY 2003
Operating Revenues:													
Investment/Property Revenues			\$ 23,389			\$ 23,389			\$ 23,389			\$ 23,389	\$ 93,556
Rate Revenue	4,669,659	5,132,080	4,967,270	5,094,082	4,737,348	3,276,267	4,049,417	3,585,718	3,733,534	3,829,898	3,477,936	3,888,002	50,441,210
Other Revenues										500,000			\$ 500,000
Total Revenues:	4,669,659	5,132,080	4,990,659	5,094,082	4,737,348	3,299,656	4,049,417	3,585,718	3,756,923	4,329,898	3,477,936	3,911,391	\$ 51,034,766
Operating Expenses:													
Operating Expenditures	410,417	410,417	410,417	410,417	410,417	410,417	410,417	410,417	410,417	410,417	410,417	410,417	4,925,000
City Administration Charges	-	-	563,259	-	-	563,259	-	-	563,259	-	-	563,259	2,253,035
Bulk Power ⁽¹⁾	2,932,180	4,360,513	2,823,527	2,553,878	2,548,501	2,938,455	2,799,806	2,664,294	2,618,273	2,250,146	2,593,932	2,195,469	33,278,974
Total Operating Expenses:	3,342,596	4,770,930	3,797,202	2,964,295	2,958,917	3,912,130	3,210,223	3,074,711	3,591,949	2,660,563	3,004,348	3,169,145	40,457,009
Net Operating Revenues	1,327,063	361,150	1,193,457	2,129,787	1,778,430	(612,474)	839,194	511,007	164,974	1,669,335	473,587	742,246	10,577,758
Direct Debt Service:													
1999 COPs	-	-	-	-	-	-	-	-	-	-	-	-	-
2002A COPs	519,105	-	-	-	-	-	585,201	-	-	-	-	-	1,104,306
2002B COPs	-	-	-	-	-	-	132,785	-	-	-	-	3,732,785	3,865,570
2002C and D COPs	-	-	-	-	-	-	88,908	-	-	-	-	1,771,725	1,860,634
Total Direct Debt Service:	519,105	-	-	-	-	-	806,895	-	-	-	-	5,504,510	6,802,324
Less: 1999 Earnings	(519,105)	-	-	-	-	-	(585,201)	-	-	-	-	-	(1,104,306)
Net Direct Debt Service	-	-	-	-	-	-	221,693	-	-	-	-	5,504,510	5,726,204
Indirect Net Debt Service	905,093	905,093	905,093	905,093	905,093	905,093	905,093	905,093	905,093	905,093	905,093	905,093	10,861,114
Fund Balance:													
Beginning Balance	2,425,629	3,690,192	4,710,388	4,544,162	8,421,952	10,137,882	8,165,725	8,720,726	9,169,233	7,974,524	9,581,359	9,992,446	
Net Revenues less Direct Debt Service	1,327,063	361,150	1,193,457	2,129,787	1,778,430	(612,474)	617,501	511,007	164,974	1,669,335	473,587	(4,762,264)	4,851,554
Operating Transfer In	-	-	87,500	-	-	87,500	-	-	87,500	-	-	87,500	350,000
Operating Transfer Out	-	-	-	-	-	-	-	-	-	-	-	(322,194)	(322,194)
Other Revenues		721,546		1,810,502									2,532,048
Public Benefit	(62,500)	(62,500)	(62,500)	(62,500)	(62,500)	(62,500)	(62,500)	(62,500)	(62,500)	(62,500)	(62,500)	(62,500)	(750,000)
PILOT	-	-	(1,384,683)	-	-	(1,384,683)	-	-	(1,384,683)	-	-	(1,384,683)	(5,538,732)
Ending Balance	3,690,192	4,710,388	4,544,162	8,421,952	10,137,882	8,165,725	8,720,726	9,169,233	7,974,524	9,581,359	9,992,446	3,548,305	3,548,305

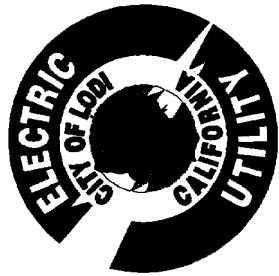
(1) August Bulk Power amount includes prior year accruals of \$1,188,421

filed 10-16-02

Proposed Ordinance

City Council Meeting

October 6, 2002



Background



- Restructuring rates to meet rate change of 4.6% due to CAISO.
- Restructuring rates on a more equitable basis.
- Recognize smaller customers have had large increases in rates.
- A majority of customers will have a reduction in the next six months.
- Fixed income seniors will receive a 5% discount; No increase for Low Income/Medical.
- Critical to current Bond Sale.

The View From 60,000 Feet

- Rates for the majority of customers are going down!
- Most fixed-rate customers will be eligible for an additional discount (5%)
- Most commercial rates will not increase this fiscal year.
- Largest customer rates may increase up to 10%.

What Have We Done To Avoid A Full Rate Increase?

- We have cut our operating costs for the third year in a row.
- We are currently operating with two (2) crews instead of the budgeted four (4) crews.
- Management expenses are 10% lower than budgeted.

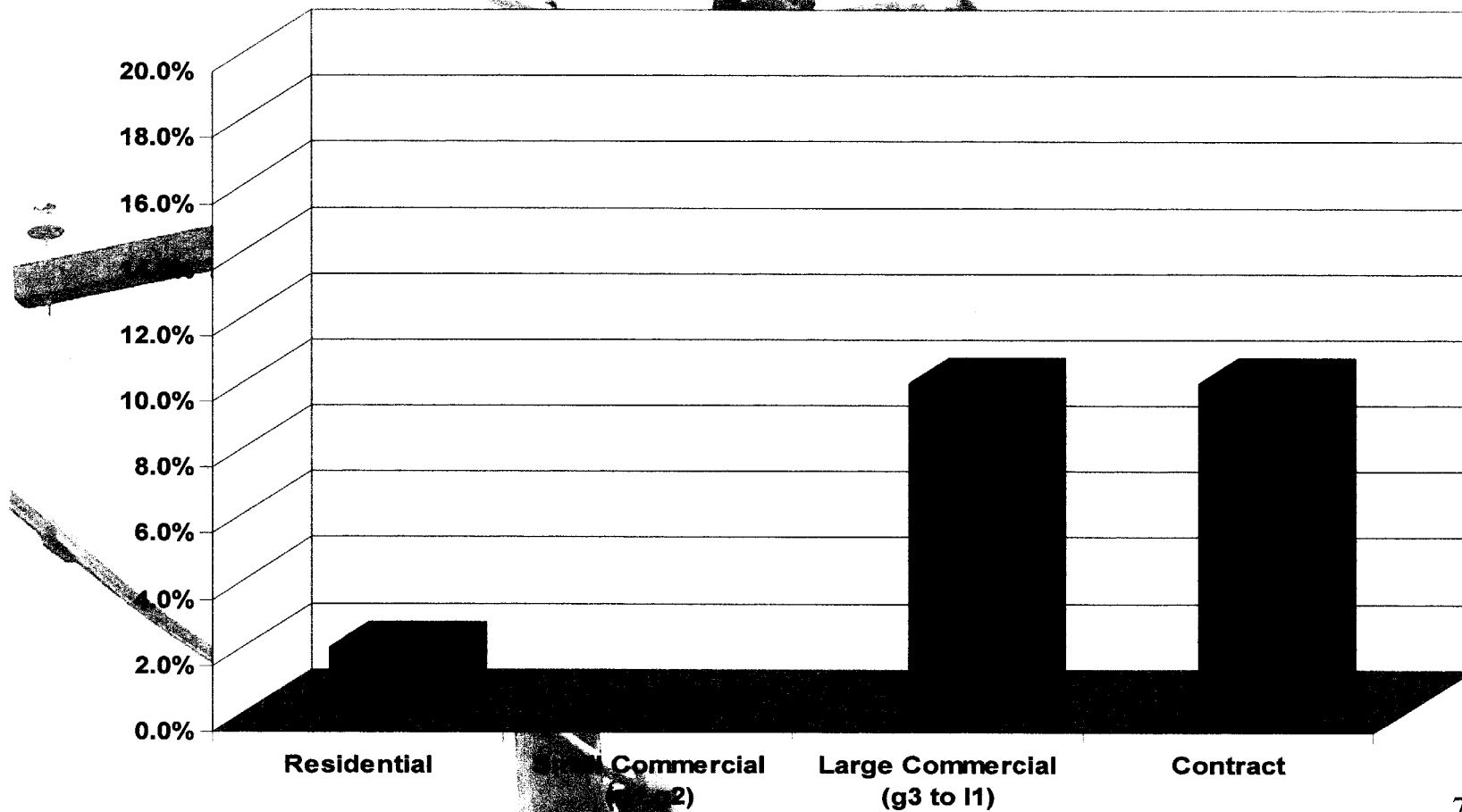
Let's Get the Facts Straight

- We have two (2) components to rates:
 - 1) Base Rates
 - 2) Market Clearing Price (MCP)
- Base rates cover the cost of the utility, including utility costs.
- MCA covers the cost of the crisis and NCP associated with the energy crisis.
- Base rates are going up because our base costs are going up primarily due to increasing SO transmission costs.
- The MCA is actually going down to partially offset the base rate increase for most customers.

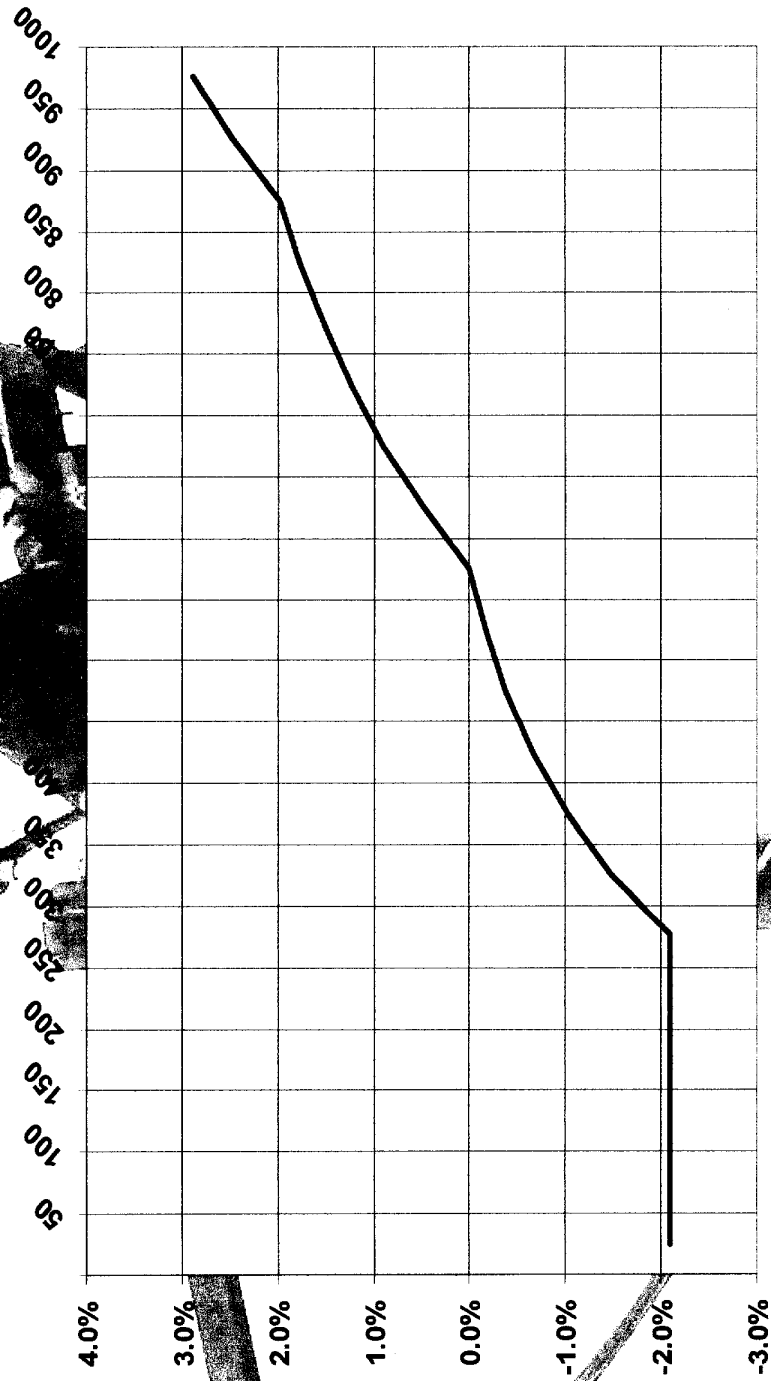
What About the Calpine Contract

- We have already benefited from savings from the current restructuring.
- The restructuring will also help offset the need to raise rates.

Average Winter 2003 Rate Change by Class



Residential (EA) % Change in Bill at Different kWh Levels



Small to Medium Customer Lodi Bill Change

Residential @ 600 kWh winter	
Residential Lodi Bill - Old	\$91.94
Residential Lodi Bill - New	\$91.94
Lodi Change	0.0%
Commercial @ 30,000 kWh winter	
Small Commercial Lodi Bill - Old	\$125.89
Small Commercial Lodi Bill - New	\$125.89
Lodi Change	0.0%
Commercial @ 200,000 kWh winter	
Commercial Lodi Bill - Old	\$3,024.63
Commercial Lodi Bill - New	\$3,024.63
Lodi Change	0.0%

Large Customer PG&E Rate Comparison

Large Commercial	
G3 at 500 Kw winter Old Bill	\$15,610
G3 at 500 Kw winter New Bill	\$17,345
PG&E Equivalent Rate	\$21,667
Lodi Advantage	24.9%
Industrial	
I1 at 3 Mw winter Old Bill	\$99,257
I1 at 3 Mw winter New Bill	\$110,286
PG&E Equivalent Rate	\$172,806
Lodi Advantage	56.7%
Contract Customer	
Average New Rate \$/kWh	\$0.052
PG&E Equivalent Rate	\$0.114
Lodi Advantage	220.0%

Summary

- Lodi rates substantially below PG&E benchmark.
- Critical to Bond Rating.
- Provides for uniform system base revenues.
- Protects small businesses and those on fixed income.
- Without current proposed rate change, a larger future rate increase may be necessary.



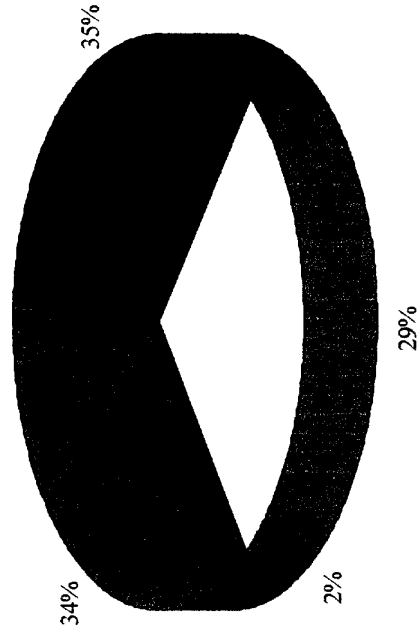
Lodi Electric



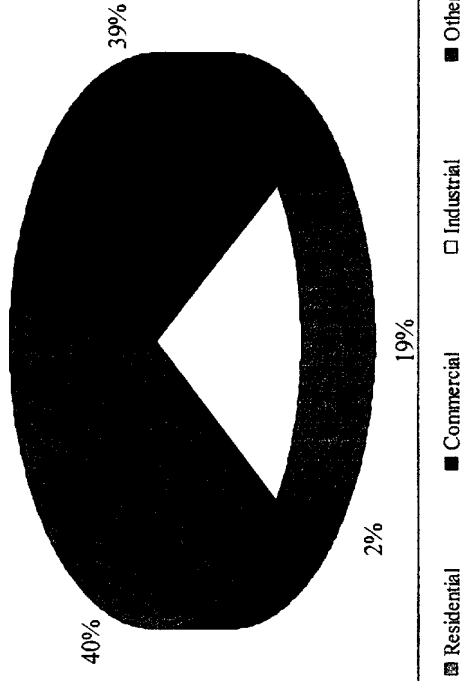
Retail Energy Sales

*Total In-System Power Sales FY2002: 414,065 MWh**

FY2002 Sales (kWh)



FY2002 Sales (\$)



* Does not include sales of surplus power (wholesale) outside of the Lodi system

October 17, 2002



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

SCHEDULE MCA

MARKET COST ADJUSTMENT

APPLICABILITY:

When in effect, this schedule is applicable to all areas served by the City and to all kilowatt-hours billed under all rate schedules as defined under the special conditions of the rate schedules labeled Purchased Power Adjustment. Generally, power supply costs will be recovered through application of the base rates. In the event that substantial changes in projected power supply costs occur, either increases or decreases, the Market Cost Adjustment will be activated to provide for increases or decreases in the City's charges for electric service.

Rates:

The Market Cost Adjustment (MCA) is applied to specific classes as a cents per kWh charge by a Market Cost Adjustment Billing Factor (MCABF). For some classes, the MCA may be zero. The following schedule provides the MCABF by class.

MARKET COST ADJUSTMENT BILLING FACTOR		
The Market Cost Adjustment Billing Factor by designated rate schedule, in cents per kilowatt-hour, shall be shown in this Section. Certain classes may have a tiered MCABF by level of monthly consumption.		
Class	Cents per kWh	Date Effective
EA, EE under 300 kWh	1.75	December 6, 2002
EA, EE 301 to 600 kWh	3.25	December 6, 2002
EA, EE 601 to 900 kWh	4.90	December 6, 2002
EA, EE above 900 kWh	5.75	December 6, 2002
ED, EF	0	August 1, 2001
EM	0	August 1, 2001
EL	0	August 1, 2001
G1	2.6	December 6, 2002
G2	3.0	August 1, 2001
G3	1.9	August 1, 2001
G4	1.9	August 1, 2001
G5	1.3	August 1, 2001
I1	0	August 1, 2001